

AIM REPORT
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NOTES FROM THE EDITOR'S C

By Reed Irvine

IT IS TIME TO TURN OUR ATTENTION AGAIN TO THAT MOST INFLUENTIAL NEWSPAPER, THE Wall Street Journal. There are several things of interest to AIM members that have appeared in the Journal recently. Most of this issue is devoted to one of them, a story by Jonathan Kwitny about the failure of a minor merchant banking firm down in Australia. As we point out, this story was given great prominence in the Journal for three days running last August even though the failed firm was of no great importance in the financial world and the story was over two years old. The Communist Party in Australia had tried and succeeded in spreading the story that the firm was a CIA front that had engaged in all manner of nefarious deeds, including drug trafficking. The story was picked up in this country by an irresponsible, far-left magazine called CounterSpy. CounterSpy has served as a source for the Journal's Jonathan Kwitny in the past, according to Frederick Taylor, the Journal's executive editor. We took a careful look at the charges made first by the Australian Communist Party paper, The Tribune, then by CounterSpy, and lastly by The Wall Street Journal. Our conclusion was that this is another excellent example of disinformation.

IT IS TRUE THAT THE CHARGES EXCITED THE INTEREST OF NON-COMMUNIST PAPERS IN AUSTRALIA, and just as we were ready to go to press with this issue a story from Australia reported that the Australian government had submitted a report on the matter to Parliament. The story was not clear as to just what the report said, but we delayed going to press for two days in order to doublecheck our own information and to see if we could get the text of the report. We received assurances from sources that we consider both authoritative and reliable that the charges of CIA involvement in this case are false. With that, we decided to go to press even though we had not succeeded in getting the text of the Australian report. We will stay on top of this story, and if you want to check with us again before writing to the Journal, call Jim Tyson or Bernie Yoh at the AIM office. Our number is 202-783-4406.

THE TWO-DAY DELAY ENABLES ME TO MENTION A COUPLE OF INTERESTING ITEMS IN THE WALL Street Journal of November 11. The same Jonathan Kwitny had a long page-one story about an American intelligence operation run by the Navy called Task Force 157. This was disbanded five years ago, making this story even more ancient history than the Nugan Hand, Ltd. failure. But the Journal devoted 47 column inches of its precious space to this account of what "U. S. spies" had been doing from 1968 to 1977. They were reporting on Communist-bloc ship movements. I thought it interesting that in this article Kwitny used some form of the word "spy" 13 times. That gets a bit repetitive, and so for variation he occasionally used "intelligence"--seven times. It used to be that spying was what your enemies did, while your own side carried out intelligence operations. People like CIA defector Philip Agee and his friends at CounterSpy who are trying to undermine American intelligence operations love to see American intelligence operatives labeled "spies." They want to destroy our agents' morale. But why does the Journal do it?

RIGHT ALONGSIDE THIS ANCIENT STORY ABOUT A DEFUNCT AMERICAN INTELLIGENCE OPERATION, the Journal carried a six-line item about the sentencing of Geoffrey Prime on espionage charges in England. Both The New York Times and The Washington Post had long stories about Prime, beginning on page one. Both papers reported that intelligence officials in Britain and the United States consider this case to be "one of the most potentially

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damaging penetrations of Western intelligence since World War II." For 13 years, Prime had been working for the Soviet Union. He first volunteered his services to them in 1968 while serving with the Royal Air Force in West Berlin. He has said that he was motivated by a "misplaced idealistic view of Soviet socialism." He received thorough training from the Soviets in espionage techniques such as invisible writing. For nine years he worked as a Russian translator for the British agency which is equivalent to our National Security Agency, engaging in supersecret electronic intelligence work. The agency's headquarters in Cheltenham, England is a major code-breaking center and listening post. Prime worked in the headquarters itself for nearly two years, with access to information that was invaluable to Soviet intelligence. Prime was sentenced to 35 years in prison. The Wall Street Journal gave the long-defunct Task Force 157 over 60 times as much space as it gave to this most serious case of Soviet espionage. One has to wonder why.]

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